

## **NOW COMMUNICATIONS, INC.**

R. Scott Seab ~ Vice President, Regulatory Affairs  
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July 19, 2002

FILED ELECTRONICALLY

Federal Communications Commission  
Attn: Marlene H. Dortch, Secretary  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Re: Ex Parte – In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, CC Docket No. 01-338

Dear Ms. Dortch:

On Wednesday, July 17, 2002, officers of NOW Communications, Inc. ("NOW") met with Commissioner Kevin J. Martin and his legal advisor Daniel Gonzalez regarding the triennial review of the unbundling obligations of ILECs.

The officers of NOW were: Larry W. Seab, CEO-President, Charles W. McGuffee, CFO, Secretary, and Treasurer, and myself. Also present on NOW's behalf were Carl Tuvinn and James Kuhn of Tuvinn & Associates, a DC-based lobbying and consulting organization.

Synopsis of the meeting: NOW conveyed its concerns regarding the possible removal of any UNE as a method of entry into the local exchange marketplace. NOW provides its local exchange services on that platform (as well as via total service resale) in order to reach its residential customer base of credit-impaired consumers. NOW explained that there is no financial justification or ability for it (and other prepaid residential companies like NOW) to construct or install full facilities, plant, and equipment necessary to serve this small niche market of residential consumers. The only viable way for NOW and companies like it to reach the credit-impaired residential customer is via the UNE-P. A significant change in how NOW and other prepaid residential service providers are allowed to access UNEs might drive the entire prepaid residential service industry out of business, leaving these customers with no telephone service.

A copy of this transmittal letter is enclosed; please file-stamp same and return to me in the self-addressed, postage-paid envelope provided. Please feel free to contact me if any additional information is required.

Sincerely,

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R. Scott Seab

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